

FISCAL IMPACT STATEMENT ON BILL NO. **H.4722**

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| TO: | The Honorable Daniel T. "Dan" Cooper, Chairperson, House Ways and Means Committee | | |
| FROM: | Office of State Budget, Budget and Control Board | | |
| ANALYSTS: | Harry Bell | | |
| DATE: | April 6, 2006 | SBD: | 2006180 |

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| AUTHOR: | Representative Mitchell | PRIMARY CODE CITE: | 44-6-85 |
| SUBJECT: | Spartanburg Assisted Living Medicaid Waiver Program | | |

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

A Cost of Federal and/or Other Funds (See Below)

BILL SUMMARY:

House Bill 4722 would require the Department of Health and Human Services to seek approval from the federal government to amend an existing waiver to include federal matching funds for the Spartanburg Assisted Living Medicaid Waiver Program. The Bill also requires the General Assembly to appropriate from the State General fund sufficient matching funds beginning in FY 2006-07.

EXPLANATION OF IMPACT:

Section 44-6-85 (A) of the Bill states that seventy-five individuals are to be served in the first year of the program and up to one hundred fifty individuals for the second through fifth years. Department of Health and Human Services (DHHS) estimates annualized cost of serving seventy five individuals in this type of setting at \$1,407,225. This estimate is based on cost of an array of services including Community Long Term Care (CLTC), Adult Care and Optional State Supplement for comparable recipients. Total cost to the General Fund would be \$624,247 while federal funds can be estimated at \$782,978. FY 2006-07 costs could be estimated at half the annualized estimate since the Bill states that DHHS shall submit the waiver request no later than September 15, 2006. Therefore, FY 2006-07 costs may be \$703,613 of which \$312,124 would be State General Funds. Second through fifth year costs can be estimated at \$2,814,450 (based on 150 eligible recipients) of which \$1,248,494 would be State General Funds. Full implementation costs include an additional three FTEs and other operating funds for CLTC oversight at DHHS totaling \$177,630.

SPECIAL NOTES:

DHHS notes that the \$32 reimbursement rate referenced in subsection (D) is for Optional State Supplement (OSS). These payments are currently based on a sliding scale and cost estimates are based on actual payments for eligible recipients.

DHHS notes that the Centers for Medicare and Medicaid Services traditionally does not approve waivers for a specific county or provider.

Approved by:



Don Addy
Assistant Director, Office of State Budget